



COLORADO

**Department of
Regulatory Agencies**

Division of Real Estate

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**MORTGAGE LOAN ORIGINATOR BOARD
MINUTES
July 19, 2023**

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**MORTGAGE LOAN ORIGINATOR BOARD
MEETING
VIA Webinar
July 19, 2023
COLORADO DIVISION OF REAL ESTATE**

A Mortgage Loan Originator Board public meeting was held on July 19, 2023 via webinar. Those Board Members in attendance were Dena Falbo, Chair; Jennifer Meckstroth, Vice-Chair; Cindy Emerine; Aaron Salladay; and Shirley Thielen.

Attending from the Division of Real Estate were Marcia Waters, Director; Eric Turner, Deputy Director; David Donnelly, Education, Communication and Policy Manager; Melissa Phipps, Senior Advisor; Penny Elder, ESP Program Manager; Sarah Halloran, Program Team Lead; Nicole Tribelhorn, Program Team Lead and Doreen Archuleta, Board Management. Gina Simonson and Anthony Lally are present via webinar from the Attorney General's Office.

Notice of the meeting was timely published and the meeting was held pursuant to the Colorado Sunshine Laws, Title 24, Article 6, C.R.S., as amended.

The meeting was conducted via Webinar. The meeting was called to order by Ms. Falbo, Chairwoman, at 9:00 a.m.

ORDER OF BUSINESS

Approval of Minutes - May 17, 2023

It was moved by Ms. Meckstroth and seconded by Mr. Sallady to approve the Minutes of May 17, 2023 as submitted.



MLO Minutes_May
17, 2023.pdf

Motion unanimously carried.

PUBLIC COMMENT: None

POLICY MATTERS: None

Agenda Items for Next Meeting - None

COMPLAINT MATTERS:

A. Complaint #2023-851 (JR) -

The investigative report concerning the complaint filed against the respondent in Complaint #2023-851 (JR) was presented to the Board with accompanying documentation and information.

- A. On May 2, 2023, the Division received an anonymous complaint concerning the respondent's guilty plea to felony theft. The respondent was convicted of Theft - \$20,000 - \$100,000, a Class 4 Felony. The respondent was granted an 18-month deferred sentence and was ordered to pay \$476.50 in court costs. The costs have been paid and the deferred sentence is ongoing with an expected completion in March of 2025. This conviction was not disclosed to the Division. The matter was disclosed as pending charges in the NMLS registry and has not been updated to reflect as a conviction.
- B. This is a possible violation of:
 - a. § 12-10-713(1)(n), C.R.S. - conviction;
 - b. § 12-10-713(1)(p), C.R.S. - fail to notify conviction/plea;
 - c. § 12-10-711(2)(b) and (c), C.R.S. - felony involving an act of fraud, dishonesty, breach of trust, or money laundering; any felony conviction in the last 7 years;
 - d. § 12-10-713(1)(m), C.R.S. - any part 9 or rule violation; and
 - e. Board Rule 5.23 - immediate notification of a conviction.

Following discussion, it was moved by Ms. Emerine and seconded by Ms. Thielen for a settlement offer of a Stipulation and Final Agency Order to include public censure; voluntary surrender in lieu of revocation and payment of a fine in the amount of \$1,000 (plus 15% mandatory surcharge).

Motion unanimously carried.

B. Complaint #2023-152 (JL) -

The investigative report concerning the complaint filed against the respondent in Complaint #2023-152 (JL) was presented to the Board with accompanying documentation and information.

- A. A complaint concerning the respondent was filed with the Division on January 26, 2023. In the complaint, it was alleged that on April 18, 2022, the respondent provided an Anti-Steering Disclosure which listed a 30-year fixed rate of 2.625%. When the complainant inquired about the rate, the respondent explained that the best rate he could deliver was 3.99%. In his written response, the respondent stated that he was acting as a broker and that the Anti-Steering Disclosure was completed by the lender for the transaction. During recorded interview, the lender confirmed that their system setup at the time would have required the broker to complete the Anti-Steering Disclosure and that the broker would have been responsible for all data contained on the form. It was also confirmed that the rate listed on the Anti-Steering Disclosure would not have passed Qualified Mortgage guidelines. During the interview, the respondent explained that he misspoke in his written response and that the disclosure was in fact completed by his assistant. The respondent accepted ownership for the

error and explained that since he was the licensed loan originator in the transaction, the accountability falls on him. During interview with the respondent's assistant, the assistant stated that he did not complete the disclosure and that it was in fact completed by the respondent.

B. This is a possible violation of:

- a. § 12-10-713(1)(q), C.R.S. - unworthiness, incompetence;
- b. § 12-10-713(1)(v), C.R.S. - good faith/fair dealing; and
- c. § 12-10-713(1)(cc), C.R.S. - false or deceptive statement about rates, points or terms.

Following discussion, it was moved by Ms. Meckstroth and seconded by Mr. Salladay for a settlement offer of a Stipulation for Diversion and payment of a fine in the amount of \$1,000 (plus 15% mandatory surcharge) for a violation of §12-10-713(1)(m), C.R.S. for violation licensing law provision §12-10-725(1)(A).

Motion unanimously carried.

ESP Matters:

ESP Matter A, Complaint #2022-2127 (RM) - Counteroffer -

The Board was presented with a counteroffer report by Penny Elder regarding ESP Matter A, Complaint #2022-2127 (RM).

After discussion, it was moved by Ms. Emerine and seconded by Ms. Thielen to accept an alternative counteroffer for a Final Agency Order; public censure; and a fine in the amount of \$2,000 (+15% mandatory surcharge).

Motion unanimously carried.

Adjourn

The MLO Board meeting adjourned at 10:01 a.m. on July 19, 2023.

Dena Falbo, Chair

Jennifer Meckstroth, Vice-Chair

Cindy Emerine, Board Member

Aaron Salladay, Board Member

Shirley Thielen, Board Member

Marcia Waters, Director
Colorado Division of Real Estate